



A WEEKLY COMMENTARY

- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

Registered for posting as a Publication —
Category "B"

The price of Freedom is eternal vigilance —

Vol. 18 No. 3

January 30th, 1981

Thought for the Week: "Democracy has not a more persistent and insidious foe than the money power... That enemy is formidable because it works secretly by persuasion or deceit, rather than by force, and so takes men unawares; he is a danger to good government everywhere."

- Lord Bryce, author of the famous classic (out of print)
"Modern Democracies".

LIGHT BREAKING ON THE "DEBT WEAPON": It was not many years back when anyone who stressed that the Soviet Union from the beginning had been financed and sustained by international financial groups, was ridiculed or smeared as an "extremist". The distinguished British-born academic, Dr. Antony Sutton, was destroyed academically because while a Research Fellow at Stanford University, California U.S.A., he had written "National Suicide", followed by "Wall Street and the Bolshevik Revolution", in which he thoroughly documented the close link between the Soviet Union and International Finance, demonstrating that the Soviet Union had been sustained over the years by massive economic bloodtransfusions from the West. Sutton the academic was, however, documenting what had been dealt with by a handful of courageous writers over the years. Writers like Eric Butler were described as "anti-Communist fanatics" or "pro-Nazis" who were an embarrassment to "genuine" and "respectable" anti-Communists.

But at long last some light is being shed on what has been aptly described as the Soviet's "debt weapon". For example, Mr. Douglas Wilkie, the veteran columnist for "The Sun", Melbourne, makes the following comments in an article on January 21st:

"There's Poland's hard currency debt to the West - a staggering \$20 billion. The Soviet and its satellites - other than Poland

owe an extra \$80 billion. To these astronomical sums must be added a multitude of 'soft' loans and long-term credits which an overblown capitalist world has advanced to an ailing communist world, to stimulate East-West trade and oil the wheels of 'detente'. Poland has been paying a crippling \$4.5 billion a year to service its debts. It can no longer do so. Instead it has asked the U.S. for a massive emergency loan. Reagan has to decide whether to throw good money after bad, or plunge Poland into bankruptcy, with consequences which would be felt by banking institutions throughout the West.

"Arguably, a financial rescue of Poland, preceded by immediate U.S. food shipments, to stave off a winter of hunger and discontent, would be an insurance against Polish workers provoking a Russian invasion 'to protect Socialism'. The contrary argument is that if the West doesn't come to Poland's rescue, then the Soviet will be compelled to provide some relief for its captive satellite. This would impose extra strains on the Soviet Union, itself paying the penalty of agricultural inefficiency and bad harvests - as reflected in the lengthening food queues... But before Reagan can use this sort of stick to beat Brezhnev and Co. he has to consider those \$80 billion which they owe to the West."

Douglas Wilkie goes on to observe that a finance-economic boycott of the Soviet could lead either to military adventurism abroad or to claim that the boycott justified defaulting on all existing debts. He continues, "This would play havoc with the whole Western monetary system and invite a chain reaction among Third World countries, now struggling under the burden of hard-currency debts totalling \$320 billions".

It may be significant that Mr. Wilkie's revelations were buried on page 47 of "The Sun". He normally appears on "The Sun's" feature page.

In material prepared in the last few days before his recent death, Frank A Capell, the distinguished American Intelligence authority, assembled a comprehensive survey of how the West has been financing the Communists, this appearing in his "Herald of Freedom". Other Writers appear to have drawn on Capell's material.

The Capell report quotes extensively from material placed before American Congress by Congressman Larry McDonald, which contains the following vital information: The Soviet is greatly concerned about the Polish strikers because, amongst other reasons, Polish workers build new merchant ships for the Soviet fleet, freeing Soviet shipyards to concentrate upon gigantic naval construction programmes. Most industrial and technological equipment "sold" to the Soviet has

in fact been financed by the U.S. Government or Western-based international banks, this contributing towards inflation in the West. The Soviet bloc can now use the threat of the "debt weapon", blackmailing the West with the claim that if more credits, more economic aid, is not provided, then the Soviet will have to default. In the case of default there is nothing the West could do to demand Soviet assets to liquidate the debt.

Clearly the battle for the world has entered a new and chilling phase. But it does highlight the essence of the problem facing the non-Communist world: Either it frees itself from the finance-economic policies which have driven it to sustain Communism, or it will be told that it is "inevitable" that it must continue to provide aid for the Communists to prevent its economic system from collapsing. Those who have worked the debt system against the Free World are determined to try to exploit the situation to mould both the Communist and non-Communist world into "One World" via the New International Economic Order. It is now nearly 60 years ago that the British genius C.H. Douglas, predicted in "Social Credit" that in the break up of Civilisation there would come a time when a small body of men and women who knew what to do, and how to do it, would decide whether there there would be a collapse into a new Dark Age, or a regeneration of Civilisation.

(Highly recommended reading for those who wish to play an effective role in the unfolding battle for the world: "National Suicide", by Dr. Antony Sutton, \$4.75; "The Kiss of Death in East-West Trade", by John Rees, \$1.35, "Upon That Mountain", by Jeremy Lee, a carefully documented exposure of The New International Economic Order \$1.35; "Censored History" by Eric D. Butler, highly praised by the late Frank Capell as one of the best outlines of the battle for the world yet produced. .85 cents. Available from all League of Rights addresses.)

BRIEF COMMENTS: A.C.T.U. President, Mr. Cliff Dolan, reflects the attitude of the Luddites of England during the early stages of the Industrial Revolution, whose only answer to the machines used to deprive them of paid work, was to smash the machine. Mr. Dolan says, after correctly observing that technology displaces human labour, that if union claims concerning the introduction of new technology were rejected, "we will have to discuss opposing the introduction of new technology". Perhaps it was appropriate that Mr. Dolan made this comment in an interview with "Tribune", the Communist paper. Like the Communists, Mr. Dolan believes in "full employment". A genuinely progressive Trade Union leader would at the present time be welcoming the displacement of human labour by technology and advocating an earlier retiring age for workers, with a guaranteed indexed and

adequate social pension or dividend, thus making way for the young to take their place in the production system.

*

*

*

*

Reflecting the Fraser Administration's subservient attitude towards Peking, where the power struggle between the top Communists has not yet been finally resolved, Foreign Minister Street said at the beginning of his four-day visit to Communist China, that the Soviet had "breached many standards of international behaviour". Mr. Street did not tell his Chinese Communist hosts that his Government's reaction to the Soviet take-over in Afghanistan, was to call for an Olympic boycott while continuing to send wool, wheat and minerals. And that Australian exports to the Soviet have increased. But of course, the Marxist-Leninists in Peking understand all this, and are confident that just as the West was used to build up the Soviet Union, it can now be used to build up Communist China.

*

*

*

*

President Reagan is pledged to reduce taxation by up to 30 per cent while at the same time increasing the U.S. arms bill by \$20 billion, adding to the present arms bill of \$200 billion. Even with a major attack on welfare payments, President Reagan's stated objectives cannot be achieved under present financial policies. As there is no evidence that President Reagan proposes to make any basic changes, we can predict now that, like other "Conservatives", President Reagan will be known as a man who breaks promises. In his inaugural address Mr. Reagan paraphrased Winston Churchill's statement that he had not been elected to preside over the liquidation of the British Empire. "I did not take the oath I have just taken with the intention of presiding over the dissolution of the world's strongest economy." President Reagan may have overlooked the fact that the British Empire WAS liquidated, by the same forces seeking to destroy the U.S.A.

*

*

*

*

The Zionist press reports with satisfaction that President Reagan is against the establishment of an independent Palestinian State. If this is correct, the Middle East situation must continue to deteriorate to the disadvantage of the West.

THE BASIC FUND: Slowly - too slowly - filling. Report next week.

ON TARGET is published and printed by The Australian League of Rights, 273 Little Collins St., Melbourne. Subscription rate \$12 p.a. posted.
